

JPRS-WER-88-062
2 NOVEMBER 1988



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

DISTRIBUTION STATEMENT A

Approved for public release
Distribution Unlimited

West Europe

19980630 132

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

West Europe

JPRS-WER-88-062

CONTENTS

2 NOVEMBER 1988

NOTICE TO READERS: For the next three months, material formerly appearing in the JPRS WEST EUROPE REPORT will instead be published on a trial basis in the FBIS WEST EUROPE DAILY REPORT. Readers who currently receive only the JPRS Report may wish to subscribe to the FBIS Daily Report.

POLITICAL

FRANCE

KGB Said To Use Eastern Bloc Against European Targets 1

GREECE

Papandreou Succession, 'Heirs Apparent' Discussed 1
Political Parties' Choices for Electoral System 3

PORTUGAL

Commentary Supports Thatcher's European Unity Statements 4
Poll Shows PS Down, Soares Up, Cavaco Silva Unchanged 5
Events, Comments Affecting Internal PCP Situation 7
 Clandestinity Seen Molding Party 7
 Private Firms for AVANTE Festival 8
 Renewed Criticism Expected 9
 Comments on Cunhal Speech 10
Challenges to PCP Leadership Continue 10

SWEDEN

Election Brings Changes in Political Landscape
[Frankfurt/Main FRANKFURTER ALLGEMEINE 28 Sep 88] 11

MILITARY

PORTUGAL

Defense Ministry Denies Freezing Arms Sales to Iran 14
Military Doubtful About NATO Proposal for Mixed Brigade 14
Resistance to Spanish Military Pressures Reported 15

SPAIN

Government Nuclear-Weapons Posture Criticized 15

ECONOMIC

FRANCE

Poll on Social Climate, 1992 Shows Measured Optimism 17

PORTUGAL

Joint Ventures With China Planned 20

SPAIN

UGT Scores Government-UDP Pension Pact	20
Poll Reveals Attitudes Toward Labor Unions	21

SOCIAL

FRANCE

Corruption Seen Slowly Invading Public Life	25
---	----

FRANCE

KGB Said To Use Eastern Bloc Against European Targets

35190005a Paris *QUOTIDIEN DE PARIS* in French
2 Sep 88 p 13

[Article by Roland Jacquard and Dominique Nasplezes:
"NATO: The Thousand and One KGB Moles"]]

[Excerpt]

The Boys of the KGB

Several top officials of Western counterespionage services are sounding the alarm within their respective Governments. According to them, the priority that has been accorded to the fight against terrorism over the past 2 years has left the terrain clear for a "massive" intensification of espionage activities by the Soviet bloc in Europe. In practical terms, this has translated into an expanding penetration of several particularly sensitive NATO organizations and, above all, by a substantial outflow of technical and industrial secrets sought by the USSR.

In this regard, some cite the rise in strength of the "satellite" intelligence services, particularly those of the GDR, Hungary and Czechoslovakia, which are operating increasingly as privileged KGB subcontractors assigned to tasks on the basis of a job distribution plan drawn up annually in Moscow.

Intelligence missions targeted on NATO, for example, are primarily assigned to the East German HVA (Hauptverwaltung für Ausklärung), a particularly well-endowed little brother of the KGB. Of course, the FRG, "the heart of NATO," is its favorite hunting ground, but the HVA also deploys its resources throughout the Benelux and certain Scandinavian countries. It operates not only in the politicostrategic spheres but also, and intensively, in that of the NATO integrated data processing systems such as NACISA [NATO Communications and Information Systems Agency], which it tries to "pirate" by technical means as well as human infiltration, i.e., moles among the operators. And with further reference to the Atlantic Alliance, the GDR intelligence services are currently seeking to obtain the plans of the all-new BICES [Battlefield Information Collection and Exploitation System] for centralizing operational intelligence, which is still in its developmental stage. Over the past 2 years, the HVA has provided the KGB with very detailed reports and analyses derived, for the most part, from hundreds of classified documents originating in the FRG.

French Target

In Europe and in France, pro-Soviet agents pursue objectives assiduously, primarily within the military and scientific spheres. From the plans of the Rafale plane to

the functional architecture of the SACRA [Computerized Forward-Area Communications, Command and Command System]. They have also shown considerable interest in France's civilian security agencies (after Chernobyl) and in the deployment of French forces in Chad (Operation Epervier). In the scientific domain, the Warsaw Pact agents appear to have become fans of the Eureka program from its very inception, with Moscow bent on duplicating it by way of COMECOM between now and year 2000.

To coordinate all activities in its industrial espionage sector, the KGB has created a "D Section" with responsibility for administering to best advantage the satellite countries' contribution in this fertile sector in terms of fallout. The East European countries are estimated to be currently providing the Soviet Union with more than half the technological data it needs to upgrade its economic footing. How are they repaid? In oil or gas, sometimes in electricity... This swap clearly implies a compensatory arrangement of the kind that cannot be made without prior intergovernmental agreement at the highest levels of state: Glasnost or not, there can be no doubt whatever that this cooperation has been decided at the highest policymaking level, and not merely at that of the intelligence agencies.

In addition to concerning themselves with these activities, the Western intelligence services are having to deal with problems stemming from illegal transfers of technology, such as the Toshiba affair. They are fearful that there will be an increase of strategic smuggling operations in all directions at the same time, with Moscow their organizer and ultimate destination. Moscow has a service—"Agency IV"—specifically set up to circumvent embargoes. For, let's face it: The only products manufactured in the West that can really interest Soviet procurement offices are those whose export is prohibited.

9399

GREECE

Papandreou Succession, 'Heirs Apparent' Discussed

35210001a Athens *TO VIMA* in Greek 18 Sep 88 pp 6-7

[Article by I. K. Pretenderis]

[Excerpts] In spite of his 77 years, Alevras entered with vigor the arena of "heirs apparent." The key argument of his supporters: He is the only person who can preserve PASOK's unity after the departure of Andreas Papandreou.

With his courtesy visit Mitsotakis underlined the broad acceptance enjoyed by the president of the Chamber of Deputies [Vouli]. P. Bakogiannis said it more clearly in

his radio interview last Wednesday on Radio Athens 984 when he advised PASOK followers to select as Papandreou's successor—if such a need arises—either Alevras or Kharalambopoulos.

Of course, Alevras does not have many friends at PASOK headquarters on Kh. Trikoupi Street. He is a member of PASOK's Executive Bureau but participates in its meetings only when Papandreou is present. Nevertheless, the party cadres and younger activists show that they respect him. Either K. Laliotis or Th. Tsouras will brief Alevras on discussions and decisions of the Executive Bureau.

D. Maroudas rushed to brief Alevras as soon as he returned from London, while certain cabinet ministers—such as Ev. Giannopoulos—do not hide their preference for Alevras. Theoretically, Alevras is supported by many PASOK deputies—if anyone can locate them and ask them about it, since they disappeared this past week from Vouli's sessions.

Of course, A. Livanis has been favoring Alevras for some time. It appears that Alevras has supporters, mainly outside of the organized PASOK, while others believe that Alevras is the only person who can lead PASOK in the event K. Karamanlis decides to return to the political arena. "Both of them inspire equal confidence for the future," they say.

The 'Menios Dogma'

M. Koutsogiorgas on his part insists that "everything works perfectly." He means the functioning of the government where a wind of "working for your health" is blowing regardless of any results. The Koutsogiorgas statement reflects the so-called Menios Dogma which holds that there is no need to replace the premier temporarily since everything works perfectly and because "who is capable of replacing the colossus"? Not that he would stubbornly refuse to take over as acting premier, if asked, but the matter is regarded as "untimely."

There is no "vacuum of authority." Out of the question! If it becomes necessary for the Ministerial Council to convene, Senior Deputy Premier I. Kharalambopoulos will call the meeting (to silence any talk that the two deputy premiers are at loggerheads!). It appears that the two have found a *modus vivendi* by going back to the scriptures about the Ministerial Council and to the premier's decision to assign the Government Council for National Defense to one and the Government Council the other. At the party headquarters they wait—as does the rest of the country—for the premier's surgery. As it is, the party activists spend their time in a series of day-long meetings, while for the time being there are few applicants for main speakers at the Youth Festivals. You see, the premier's illness has caused sympathy for him, but the divorce has led to disagreements. In a recent

meeting of a provincial party organization, the discontent came out in the open, while many deputies say this divorce issue is doing damage in the country. So, everyone wants someone else to "get the chestnuts out of the fire."

Simple Proportional

Inside PASOK the most fashionable political term these days is "simple proportional." Either because of the uncertainty regarding the premier's illness or because of their worry for the rise of ND, or because of a strategy option (such as the one pushed by K. Laliotis since 1985), no one rules out the likelihood of establishing the simple proportional electoral system for the next general election.

At the very least (for the sake of those who still have reservations), they leave the matter open, waiting for the premier to return from London and see what his intentions are. In any event, the government is in no hurry to write the new electoral law since the best informed sources believe the bill will not be submitted to Vouli before February.

What is going to happen until then? "Will the matter of the premier's health and his personal strategy be cleared by then? Will he continue to actively participate in politics or will he make an effort to move to the presidency of the Republic"?

Early in the summer the premier had told associates and members of the Executive Bureau that "even if we were to lose the election in 1989 we will be back in power in a year." Does he still hold to that estimate?

Thus, in a peculiar PASOK way the premier's health, personal plans, the electoral system, and the outcome of the feuds among the heirs apparent are all tied together. In view of the current uncertainty and the uneasiness and displeasure for the many things happening around them, PASOK followers of all different shades are beginning to develop an *El Cid* syndrome. Their hopes and expectations are increasingly placed on the return of a rejuvenated and purified Andreas Papandreou who, like another *El Cid*, will once again lead the "green troops" against the enemy.

This syndrome is assisted by the Messianic attitude which always existed in PASOK. With an almost metaphysical confidence they hope that a "different Andreas will come back" to lead to victory a "different PASOK." "Nothing will be the same in PASOK," the most important PASOK cadres claim, without explaining what and how it will change; and, of course, without knowing if Papandreou himself will be inclined to play the role of *El Cid*.

Political Parties' Choices for Electoral System
35210001b Athens KYRIAKATIKI
ELEVETHEROTYPIA in Greek 28 Aug 88 pp 6-7

[Article by Theodoros Rousopoulos and Tasos Pappas]

[Excerpts] KYRIAKATIKI ELEVETHEROTYPIA [KE] asked all political parties to express their views on four key questions concerning the next electoral confrontation: a) the electoral law; b) the question between party-determined lists of candidates and voter-determined preference marks for candidates ("cross"); and c) campaign methods (huge rallies vs. the use of electronic media, radio and TV). Moreover, KE believes that an important problem arose in the 1985 election which must be settled. It is d) the fate of the "blank ballots."

All political parties, with the exception of PASOK, and many constitutional experts argue that the blank ballot is a political vote which indicates a certain stand and as such it should be counted in the electoral result and not be considered an "invalid vote" as it has so far.

Of the 17 parties which responded to the KE questions, 13 favored the simple proportional electoral system; New Democracy [ND] favors the reinforced proportional; and only the Democratic Renewal [DIANA] speaks of an electoral system which "will serve the general interest." Several parties argue that there should be a constitutional sanction of the simple proportional. Six parties argue that the preference mark (cross) is preferable to the party determined candidate "list"; two favor the list but tie this to a democratic structure for the parties; while the Party of Democratic Socialism [KODISO] and the National Communist Party of Greece [EKKE] favor a mixed system combining the list and preference mark.

They all seem to agree on campaign methods and all demand the opening up of electronic mass media (radio and TV) without rejecting altogether traditional campaign methods (rallies, wall posters, etc.) provided that these methods do not determine the tone of the campaign.

Finally, all political parties agree that blank ballots should be included in the "valid ballots." Only DIANA wants to leave the law unchanged (i.e., to regard blank ballots as invalid).

PASOK did not respond to EK's questions. EK used published statements of the government's spokesman. The Democratic Center Union [EDIK] and the Democratic Union did not respond when called.

Responses of Parties

1. PASOK speaks of an electoral system which will be "more just" than the present one as concerns the blank ballot.
2. ND favors the reinforced proportional because the country needs strong governments; the voter-determined preference mark; "no" to rallies and fiestas and "yes" to

TV; the blank ballot is valid because it reflects a voter's views on proposed solutions.

3. KKE favors a permanent electoral system which is truly democratic, namely, the simple proportional; favoritism continues either under a list or a cross system and can only be removed through the simple proportional electoral system; state radio and TV should be opened to all parties, but face-to-face contact of parties with people should continue; voters should have the opportunity to vote blank.

4. DIANA favors any system which will serve the general interest; it prefers the cross; open TV; and with regard to the blank ballot, what the present law provides.

5. The Greek Left [E.AR] favors the simple proportional; the list combined with democratically organized parties; emphasis on TV, but without rejecting public rallies; the validity of blank ballots should be sanctioned.

6. KODISO favors the simple proportional; a mixed system combining list and cross; opening up TV and radio; sanctioning the right to cast a blank ballot.

7. The Christian Democracy favors the simple proportional; a list composed democratically by the rank and file; TV for a calmer political climate; sanctioning the blank ballot.

8. The United Socialist Party of Greece [ESPE] favors the simple proportional; the cross; equitable access to TV; counting the blank ballot as valid.

9. The Greek Socialist Party [ESK] favors an electoral system which is generally accepted and permanent, free of fraudulent schemes; cross or list is a fake dilemma; emphasis on electronic mass media; the blank ballot should be registered separately and assessed politically.

10. The Agrarian Party of Greece [AKE] favors the simple proportional; the cross because outside of the Left there are no parties of principle; dialogue over electronic mass media; the blank ballot is on occasion a sign of protest.

11. KKE-Interior Renovating Left [KKE-Int.-A.A.] favors the simple proportional constitutionally sanctioned; cross or list depending on how democratically the parties are organized; free contact through electronic mass media, without replacing live contact; the blank ballot to count equally.

12. The United Democratic Left [EDA] (Glezos) favors the simple proportional although the system in its view is not a panacea; cross to allow the voter to decide; opening up electronic mass media because rallies are obsolete; the blank ballot is valid.

13. EDA (Lentakis) favors the simple proportional as the permanent, constitutionally sanctioned electoral system; cross of personalities parties; list if parties of principle; opening up electronic mass media not only at election time; recognizing the blank ballot by special arrangement.

14. The Socialist Syndicalist Workers Movement [SSEK] favors the simple proportional, without fraud, constitutionally sanctioned; the cross or list dilemma applies to "clientele" parties like PASOK or ND; opening up electronic mass media but without restrictions on traditional methods such as rallies or wall posters; "yes" to the blank ballot.

15. The Socialist Union favors a genuine and unadulterated simple proportional, although the electoral system by itself is not a panacea; favors the list because it is a party of principles, but under conditions it favors the cross; opening up electronic mass media under an agency representing all parties; the blank ballot is a protest vote and should be considered valid.

16. The Liberal Party favors the simple proportional constitutionally sanctioned; cross, but a list for certain personalities; TV is the appropriate means; the blank ballot must be recognized.

17. EKKE favors the simple proportional; a combination of list and cross under present conditions; equal treatment of all parties by electronic media; "no" to fiestas, but also "no" to depoliticization; sanctioning of the blank ballot.

7520/9604

PORTUGAL

Commentary Supports Thatcher's European Unity Statements

35420006b Lisbon SEMANARIO in Portuguese
24 Sep 88 p 6

[Commentary by Jose Miguel Judice: "The European Empire"; first paragraph is SEMANARIO introduction]

[Text] The waves made by Margaret Thatcher on the subject of the future of the Common Market are to be welcomed. Especially in a peripheral country like Portugal, which would have everything to lose in a centralized Eurocratic empire.

Journalistic bombshells are sometimes no more than ordinary news items which benefit simply by being published at a particularly opportune moment. Margaret Thatcher's statements concerning the future of the Common Market strike me as being a good example of this. Actually, nothing that the British prime minister is saying comes as news to anyone aware of her practices and her ideas about Europe, and yet her statements came as a real bombshell, creating shock waves that even now have not subsided.

Basically, what Thatcher said was that it was unacceptable to hand over political power in Europe to the bureaucratized technostucture in Brussels; that it would be a harmful act of retrogression for Europe to move in the opposite direction from that which traditionally

centralized empires such as the Soviet Union are attempting to follow; and that European unity could not mean destroying special national characteristics and powers as they exist today.

The reactions were not long in coming, but my opinion is that the experienced British politician's statements are to be praised and supported without quibbling. I am not unaware that there exists within them an apriorism typical of an Atlantic country that is geographically peripheral to the "continentalization" of relationships of European power; I do not doubt that behind the spoken words, there may exist a controlled negative charge and an unequivocal pulsion away from European political unity; and I admit that national egotisms can and even should be countered from Brussels on the path to greater European integration.

But none of that nullifies the existence of a manifest risk that the Community bureaucracy will function like all imperial bureaucracies and that the building of Europe will be carried out in the future just like it has in the past, namely, in the field of agriculture and with an avalanche of regulations like those with which all centers of empire think they can mold and control the distant flow of reality.

What we have seen over the years does not inspire excessive confidence and is not of a nature to allay the fears of the countries involved, especially those on the periphery, as Portugal is. Thousands of nonelected officials who, in the final analysis, are politically responsible to no one, far removed from the dynamic reality of European relations, molded by abstractions, and eager to increase the decision-making power they already have; former politicians attracted by high salaries; and experts who do nothing but add to their contacts so they can then go to work for multinational firms that specialize in lobbying the directorates—we have seen a little of everything, but what we have seen above all else is a tremendous disregard for specific national characteristics and a considerable lack of cultural and historical-political training.

The prosperity and well-being of Europeans unquestionably depends upon the elimination of many barriers to trade and the movement of people, just as European cultural reality must be revived and serve as an enveloping framework in which national cultures reinforce each other and penetrate each other in a harmonious fashion. There is much waste and additional cost that ought to be avoided because it merely expresses the various egotisms which make European countries incapable of benefiting from the advantages they have in competing with Japan and the United States.

All of that is no doubt true. But the European unity which is possible and desirable must be created by the dynamics of the market and the movement of people, freedom of trade and deregulation, and the launching of specific projects for research and investment which include components from several European countries. That is what we need, not an assemblage of isolated technocrats locked in an ivory tower of self-sufficiency

and arrogance and bent on replacing the old nation-states with a superstate that will always be more destructive of the real dynamic which Europe needs than the living spontaneity of social reality.

In a peripheral country such as Portugal, and especially in view of the level of development which characterizes Portugal, the process of European integration may bring real advantages if it is not transformed into a transfer of sovereignty to the technocratically of the hoped-for capital of the empire. Eurocratic centralism will never be favorable to Portugal when it comes to decisions in which relations of power are important—those basic decisions which really matter. The simple and very obvious reason is that the ability of Portuguese interests to exert pressure will be weaker than that of others, and the bureaucrats elevated to the status of a political power recognize no logic save that of real power.

For all those reasons, and with no need for further remarks, I regard the waves made by Margaret Thatcher this week as a good thing. They will force people to think more carefully about the dangers of an excess of Pan-European idealism, which may in the final analysis be

harmful to a solid, balanced, and gradual interlinking of European national interests.

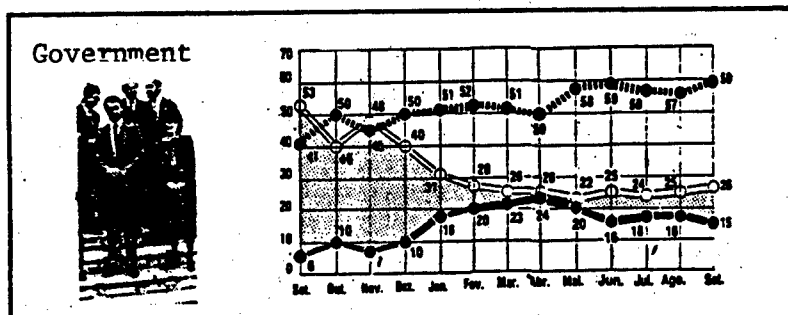
And it would be a good thing if Portuguese authorities gave the matter attentive thought. Perhaps by doing so, they would avoid some of the political provincialism which so enthuses them or the historical superficiality to which they are committed.

11798

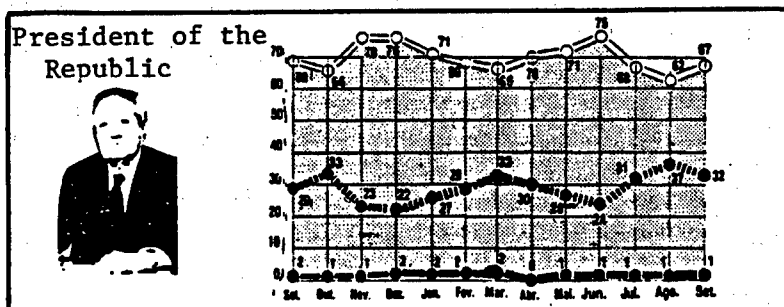
Poll Shows PS Down, Soares Up, Cavaco Silva Unchanged

35420006c Lisbon EXPRESSO in Portuguese
24 Sep 88 p 6

[Text] The PS is the political force emerging most weakened from the political summer. The party is again down to 25 percent, and its leader has suffered a significant loss of popularity. The September poll of the EXPRESSO/Euroexpansion panel also reveals that Mario Soares has quickly halted the worrying decline in his high level of popularity that had continued for 2 months.

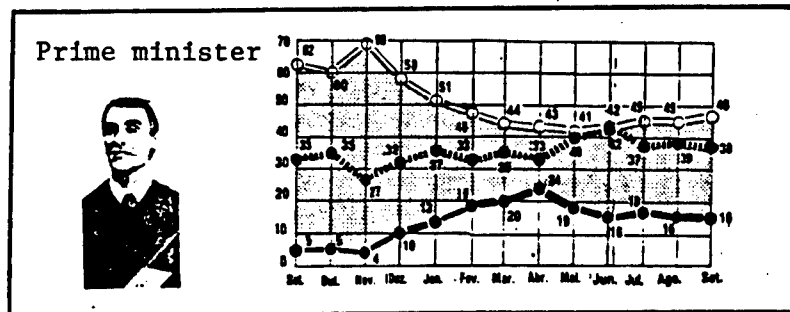


A small favorable change for the government does not alter the pattern of low public esteem in which Cavaco Silva's cabinet is held.

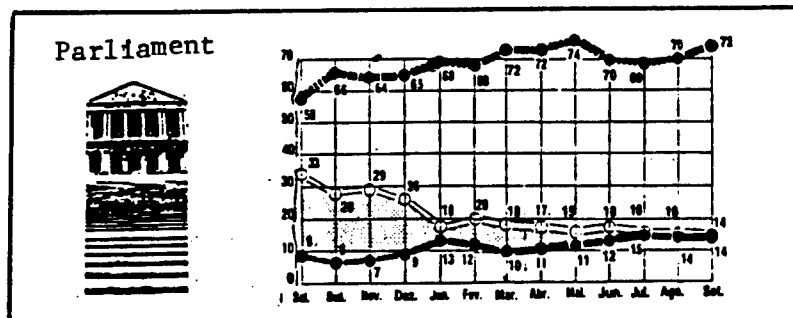


The president of the republic managed to halt a 2-month decline and avoid dropping into the 50-percent range. Mario Soares again enjoys a large and comfortable margin of popularity.

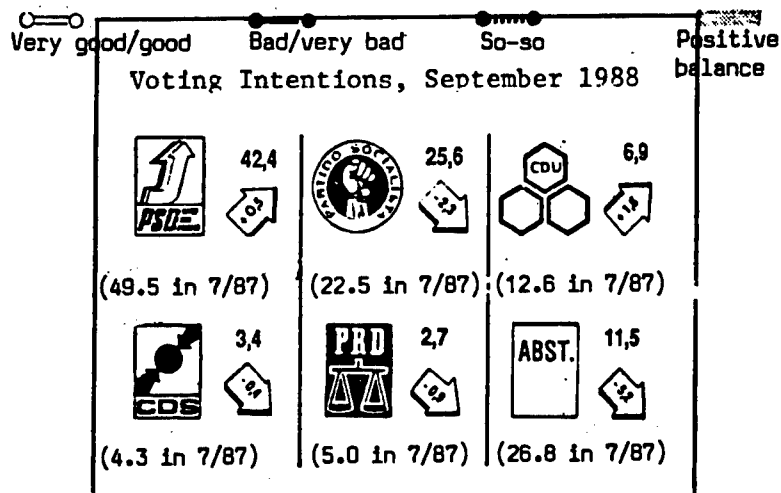
○—○ Very good/good ●—● Bad/very bad ■—■ So-so Positive balance



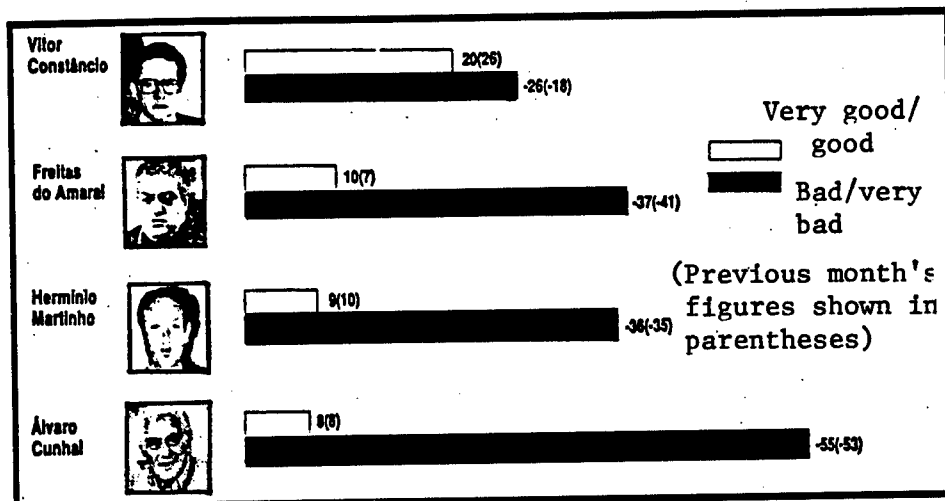
The prime minister's figures show practically no change since August, thus confirming his stability at about 40 percent throughout 1988. He remains more popular than the PSD when it comes to people's voting intentions.



After declining gradually, the minute balance in favor of Parliament is now down to zero, and unfavorable opinion may come to exceed favorable opinion.



Over the summer months, the PS lost the entire percentage gain with which it had managed to reduce the vast gap separating it from the PSD following the elections: the two parties are again separated by 17 percent.



The PS leader is back to negative balances again, having noticeably weakened his image. Thanks to a slight improvement, Freitas do Amaral has jumped from last to second place.

The relative absence of the leader of the PS from the political scene at the end of summer, which became a matter of comment in the media (comment to which the PS itself felt compelled to respond with counterarguments) comes to mind as a possible reason for the "black September" which affected both Vitor Constancio and the Socialist Party itself.

Constancio is like the other opposition leaders in having a negative balance of popularity, is less popular than his own party, and has less than half the percentage going to Cavaco Silva. The PS, on the other hand, has continued the declines recorded in July and August, having lost 11.4 percent in comparison with the PSD in the space of 3 months (it should be recalled that in June, the Socialists had 33.1 percent, compared to 38.5 percent for the Social Democrats).

Changes in voting intentions and in the popularity of the remaining parties and opposition leaders are not significant, but attention should be drawn to the rise in Freitas do Amaral's popularity and the fact that 17 percent of those polled said they were undecided as to how they would vote if elections were held (that total consists essentially of former PRD [Democratic Renewal Party] and CDU [Unitary Democratic Coalition] voters and abstentionists).

Technical Data: The poll was conducted from 19 to 22 September. The universe consists of voters on the mainland. The sample consists of between 400 and 500 individuals and includes about 270 sampling points. It is obtained from a file prepared by stratification of the universe based on region, size of town, sex, age, level of

education, and voting option. Personal interviews are conducted by telephone. Confidence interval: the maximum semirange, with a probability of 95 percent, is plus or minus 4.7 percent. Euroexpansion is responsible for the poll, and the results are analyzed by EXPRESSO.

11798

Events, Comments Affecting Internal PCP Situation

Clandestinity Seen Molding Party

35420001 Lisbon SEMANARIO in Portuguese
3 Sep 88 p 12

[Article by Jose Pacheco Pereira]

[Text] At the press conference following the last meeting of the Central Committee, all Alvaro Cunhal did was laugh. Behind that laughter (excessive, out of place) can be seen the crisis of the PCP. First because Cunhal doesn't laugh like that and second because there is no reason to laugh and he knows it. The legs fidgeting nervously under the table expressed what the laugh tried to hide.

The truth is that European communism is disappearing. That does not mean that communism per se is disappearing, nor that it is not significantly improving its prospects in many places and in many circumstances (Latin America, for example). Meanwhile, in Europe, the cradle of the communist movement in its traditional forms and models (the communist party plus its front organizations, plus the communist unions, plus the great court of fellow-travelers), the crisis is clearly structural.

As a matter of fact, in many countries the communist parties are already practically nonexistent; in others, there are two or three parties in the same area of orthodoxy; and in all of them, the indicators point to a rapid decadence and fragmentation. The economic crisis of the seventies, in theory a godsend for the communists, was deadly for them.

It became clear that the communists do not have any solution for complex and pluralistic societies other than to make them simpler and less pluralistic, and that that is only achieved by force, by simplification of the spirit and the establishment of conflict as the means of sweeping up the differences and destroying wealth in the name of distributing it.

Portuguese communism is one of the least European of the communisms of Europe and for that reason the crisis delayed a little in reaching it, but it did. Meanwhile, the crisis of Portuguese communism assumes aspects of interest not only for an understanding of what was the role of communism in Portuguese contemporary history, but also as revealing some aspects of our political ecology.

The main trait characterizing Portuguese communism and its strongest factor of identity is the one that derived from its clandestine experience. The PCP has the European record for clandestinity—48 unbroken years, and that more than anything else has molded the party. Clandestinity was the main factor for selection of the leadership group and gave it an unparalleled stability and homogeneity. The same process molded the whole organization and determined the criteria of recruitment, promotion, and assignment of responsibilities. Finally, clandestinity “made” the culture of the party, determined its symbolic values, and gave it identity. With the exception of Ireland (where the IRA created a similar culture) and of the short period of the Resistance in World War II, there is no parallel in European political history of such great importance of the clandestine factor. The consequences for the party’s recent history are decisive.

Private Firms for AVANTE Festival

35420001 *Lisbon EXPRESSO in Portuguese*
3 Sep 88 p 3

[Article by Jose Manuel Saraiva]

[Text] Unlike what happened in other years, this year the leadership of the PCP had to resort to the specialized services of various private companies to set up the infrastructures on the premises where the AVANTE Festival will be held next weekend.

Sources close to the organizing committee told EXPRESSO that recourse to a solution of this nature was due, in the first place, to the fact that many party members had ceased to make their traditional contribution to initiatives of this type, translated into thousands of hours of unpaid, voluntary labor.

Moreover, PCP officials considered that this was one of the basic characteristics on which the communist festival was based and which Alvaro Cunhal always exalted with pride in the various closing speeches.

Despite the fact that professional companies are handling the work that is still under way in the Loures grounds, according to the same sources, there has been a significant delay in the construction and arrangement of the pavilions, for which reason it is anticipated that some projects that had been conceived may be simplified or even eliminated.

“This will be the festival of our discontent,” mocked a member of the Central Committee, while refusing to consider that the reduction of voluntary participation in the work on the festival premises was due to a loss of militancy. According to this leader, who asked to remain anonymous, “the holidays and perhaps the loss of a certain communist fraternity in recent times may be the reasons behind a marked desertion of the rank and file.”

General Discontent

Referring to the factors of internal dissatisfaction, the same sources admitted that the party is facing a situation of “general discontent”: on the one hand are the old cadres on the brink of going into the Verification and Control Council (the seniority shelf); and on the other are the reformist sectors, which saw all their party democratization proposals rejected by the Central Committee; besides, obviously, the circles connected with the candidates for succession to the secretary general, which recently tried unsuccessfully to guarantee the “pole position” for Octavio Pato in the race for the party leadership.

With regard to these and other matters, the same leader emphasized the perplexity aroused by the decisions at the last meeting of the Central Committee relating to statutory material. “We can phrase the statutes with provisions that make luncheons and dinners among members illegal but it would be pure illusion to believe that these juridical exorcisms will make problems that require democratic political debate disappear,” he commented.

Meanwhile, EXPRESSO learned that, immediately after the AVANTE Festival, there will be an announcement of critical positions assumed by high-ranking members of both the so-called Group of Six and circles close to the so-called Third Course.

The Power Struggle Between Old Factions

The exchange of impressions between both sides may have already led to the conviction that the task of holding the party congress scheduled for this coming December under democratic conditions has already been compromised.

"The implications of that political conclusion are such (and the last meeting of the Central Committee made clear an enormous evolution of the power struggle between factions linked to candidates for the position of secretary general) that it is worthwhile considering at the same time all the measures that preserve party unity," the same leader stressed in his comments to EXPRESSO.

Although the Central Committee has decided that the theses to be submitted to the congress should have a first drafting even before the AVANTE Festival is held, the truth is that, according to the same source, the drafting underwent numerous delays due to the absence of sector officials.

In the opinion of the same source, this fact "did not in any way contribute to corroborating the image of dynamism that Alvaro Cunhal sought to present at the press conference" following the last plenum of the Central Committee, the terms of which he is expected to reecho in his traditional festival closing speech.

The PCP leader who spoke to EXPRESSO believed that "that speech certainly runs the risk of disenchanting everybody: it will be evasive as regards the succession; indifferent to the winds of freedom of expression blowing from 'perestroyka'; and repetitively beseeching as regards the most critical sectors of the party."

Renewed Criticism Expected

35420001 Lisbon EXPRESSO in Portuguese
17 Sep 88 pp 1, 3

[Text] New documents from the critics of the PCP, specifically drafts of statutes different from those that were distributed to the communist members at the AVANTE Festival, are going to be released shortly. Persons connected with the "Group of Six" as well as those connected with the "Third Course" reportedly are already preparing alternative projects counter to those of the party leadership. It is expected that from the meetings they are holding and which will continue during the next few days there will emerge a reply to the hardening of positions by Alvaro Cunhal, which culminated in the festival of the central organ of the PCP held last weekend in Loures.

The revelation during the 12th AVANTE Festival of the draft of alterations to the statutes approved by the PCP Central Committee at the end of August has confirmed that none of the suggestions made by the various critical sectors was considered by the communist leadership, at the same time that the provisions aimed at eliminating internal disputation were accentuated.

The hardening of tone against the members who nurture "the campaign against the party" with "information, opinions, interviews, articles, letters and statements" was one of the main keynotes of Alvaro Cunhal's speech in Loures, in which he did not hesitate to insert that operation in the context of a "universal ideological

offensive of imperialism." On the other hand, crystallization of the communist leadership is provoking a similar raising of tone among the most radical reformist wings. On the day following Alvaro Cunhal's speech, an evening paper published a long article under a pseudonym by a member of the PCP which clearly expressed the idea of the critics not participating in the congress in order not to legitimize such a sham of democracy with their presence.

The composition of the PCP delegation that is in Luanda for talks with the MPLA is another of the facts that have caused the most contradictory comments among communist circles. Up to now, responsibility for high-level missions to Angola and Mozambique that did not include the party secretary general have been turned over to Carlos Costa. Nevertheless, that member of the Permanent Political Secretariat is now under the jurisdiction of Octavio Pato, his peer in the aforementioned communist top organization. There are those who associate the episode with what Hipolito dos Santos (close to Pato and Domingos Abrantes) supported in the last plenum of the PCP leadership, when he proposed the creation of the position of deputy secretary general.

In the meantime, EXPRESSO was able to learn from a source close to the Secretariat of the PCP Central Committee that that proposal had already been the subject of individual consultation of the members of the Central Committee about 2 months ago, but that "a large majority of the opinions were opposed to such a solution at that particular time." The same source confirmed that a substantial part of the favorable opinions came from Lisbon—the organization that Octavio Pato heads. In the various critical sectors, one sentence seems to epitomize the general opinion: "Octavio Pato as deputy secretary general would only aggravate the defects that already ail the leadership job, not adding any quality to it—quite the contrary."

Promotions in the JCP Before the Congress

The speaker of the Portuguese Communist Youth (JCP) at the AVANTE Festival was imposed on the leaders of the JCP by the PCP leadership after the former had selected a member who is the social leader of an institution of higher learning. The choice of the leadership fell to Carlos Rabacal, a civil servant, 36 years old, who also recently replaced Antonio Filipe as JCP representative at the National Youth Council. These two facts presage the entry of Carlos Rabacal in the Central Committee at the next congress and admit the possibility of Angelo Veloso having found someone to lend continuity.

If that is confirmed, Carlos Rabacal will be the sixth leader of the PCP youth organizations, but the political history of his predecessors may not augur well for his future: Horacio, Rufino, Pedro Soares, and Henrique Neves (those with an industrial workers background) all belonged to the Central Committee and were dismissed from it 2 years ago; and as for those who were student

leaders, we know the situation of Zita Seabra, with Pina Moura having been referred to in the press as one of the members of the Central Committee who has expressed critical attitudes. With regard to Rabacal, it is known that he was rising in the hierarchy as the leaders of his generation were abandoning the PCP.

Comments on Cunhal Speech

35420001 Lisbon O JORNAL in Portuguese
16-22 Sep 88 p 8

[Commentary by F.V.; first two paragraphs are O JORNAL introduction]

[Excerpts] Alvaro Cunhal's speech at the close of the AVANTE Festival on 11 September was an amalgam of political testament and response to current problems.

But, even when he reaffirmed the principles or spoke about the political and social situation, Cunhal showed that he was thinking of his party's internal problems, about those "reformers" that are the absent presence of almost all his recent attitudes.

Cunhal reaffirmed his concept that it is not the crisis into which his leadership has led the party that causes the internal criticism to arise, but a sort of spontaneous generation of malcontents that amplifies the campaign of the right against his party, creating the immediate illusion of a crisis.

His first reference to a group of texts published under pseudonyms by members and leaders of the PCP, notably in the DIARIO DE LISBOA, shows the growing annoyance of the communist leadership in the face of a practice that in itself is an indictment of the lack of conditions of internal democracy.

Moreover, only 2 days after Cunhal's speech, the DIARIO DE LISBOA published one of those articles signed by Bento Nemo, which considered that the group of preparatory documents of the congress "represented the most monumental let-down for all those (whether members or not) who thought that the time had come and the conditions had been created for a radical reform of the party..."

The proposals for statutory changes and rules of debate in the party revealed show that in that matter none of the principal suggestions of the "Group of Six" or of the "Third Course" were heeded, nor were those of other members who expressed them publicly (for secret vote, the guarantee of democratic conditions of debate of positions and the selection of leaders).

The absence of conditions for a democratic debate and a democratic congress has already led some critics to consider the possibility that they will not even take part in the congress, thus refusing to legitimize it with their participation.

Cunhal adopted perestroika, avoiding—as he initially did—reducing it to a simple readjustment of the existing society in the USSR. Meanwhile, he continues to fail to derive any political or historical application to his party from it.

Cunhal's refusal to derive any conclusions for his party from perestroika contrasts with Zita Seabra, who in an article in the DIARIO DE NOTICIAS yesterday, 15 September, makes the implicit projection of the struggle against secrecy in the USSR to the current phase of the life of the party of which he continues to be a leader.

Whereas, Cunhal speaks of perestroika in order to be able to keep it far from his party, Zita Seabra never speaks of his party in order for perestroika to be able to continue to reecho in it.

For decades the unavoidable reference point for many of the principal Portuguese intellectuals, the PCP now sees its own intellectuals—Jose Saramago, Mario de Carvalho, Jose Magalhaes, Antonio Borges Coelho, Baptista-Bastos, Gomes Conotilho, Vital Moreira, Mario Vieira de Carvalho, Antonio Hespanha, and Silva Graca—adopting positions of critical detachment.

8711/6091

Challenges to PCP Leadership Continue

35420006a Lisbon O INDEPENDENTE in Portuguese
16 Sep 88 p 5

[Article by Helena Sanches Osorio; first paragraph is O INDEPENDENTE introduction]

[Excerpts] What Alvaro Cunhal announced in his extremely violent speech at the AVANTE Festival was that he had won the first round in his fight against his critics. The latter are discouraged but not defeated. Neither side has exhausted its trump cards.

The muffled contest that has been going recently between the so-called renewalists and the PCP leadership came to a head in the words spoken by Cunhal at the party's traditional festival.

Left behind were proposals for change, assertions and denials, reprimands and punishments, and victory in the case of a few bylaws which, if they are approved at the upcoming congress—and there is every indication that they will be—will leave no maneuvering room for the groups and factions that have recently been demanding new forms of action.

The situation is such that rumors immediately sprang up to the effect that drastic steps would be taken against some of the most prominent Communist dissenters—starting with the possible expulsion of Zita Seabra even before the congress is held.

The reason, according to a Communist source, is that the Central Committee "cannot allow that leader 4 precious minutes in which to speak freely before the 2,000 congress delegates in attendance." The source added that giving her that time would be risky for the current leaders, seeing that despite everything, Zita and her ideas have supporters not only on the Central Committee but also among the delegates, among whom the "Third Way" hopes to place at least 70 of its own men.

Zita off the Central Committee

As is known, the fact that she is a member of the Central Committee automatically makes Zita Seabra a delegate to the congress, where she will be entitled to speak for a few minutes without prior arrangement.

That Communist leader, who has been expelled from the PCP's Political Committee, has had no work assigned to her for the past 7 months, but that does not excuse her from being at the complete disposal of the party, from which she receives the national minimum wage of 27,000 escudos.

Someone very close to the top Communist leaders told us flatly: "The party leadership has never considered such a thing." In that individual's opinion, "those rumors may in fact represent an erroneous interpretation of Comrade Alvaro Cunhal's words."

'The Six' Discouraged

Meanwhile, O INDEPENDENTE has learned from sources close to the "Group of Six" that those Communists have practically completed the final portion of their document on the party program. But they are hesitant about the attitude they should adopt. At this moment, it is very clear to them that whether they publicize them or not, their suggestions are not going to be debated either among the rank and file or by the top organ of the PCP. Since they are pragmatic, it is possible that they will not continue to fight with those weapons. At its next meeting, the group will consider new means of intervention which may be more drastic and effective in defending its points of view.

It is not impossible that there will be collective public statements that might even destabilize preparations for the congress, considering the natural publicity that such actions would receive in the mass media, both domestic and foreign. While the critics are aware that with Cunhal at the head of the party, nothing is going to be easy for them, they also know that a public protest against the figure of that charismatic leader—unique in today's Communist world—will be enough in itself to make a big splash throughout the news world. And they are betting on the fact that that is the last thing Alvaro Cunhal would want to see happen.

But the Communist leadership's problems are not restricted to those groups, which have been completely identified and defined. More complex is the structure of the "Third Way," which, although less systematic and less organized, is nevertheless causing the leadership concern. The fact is that the Third Way's strength is due precisely to its diffuse characteristics. No one knows for sure who its members are or what they are doing at any particular moment. Less radical than the others, they are steadily at work, and at this moment, they are devoting themselves to the arduous task of infiltrating their people into the delegations to the congress. They are almost sure of about 100 members.

"Our only obstacle is Alvaro Cunhal. When he disappears from the political scene, our path will be made much easier by the ensuing struggle to succeed him," commented one of the signers of that faction's document.

He emphasized: "Mistakes are being made which are absolutely incomprehensible to anyone who knows Cunhal well. First of all, there was the exclusion of brilliant men who have added so much prestige to the party—for example, the new wave of deputies who had the respect of our opponents in the Assembly of the Republic. Then there was their public replacement with people like Octavio Pato and Angelo Veloso, who present a terrible image of the PCP."

Our interlocutor drew our attention to what he considered a "significant" departure from the usual practice of the Communist leaders. When a delegation was sent to Angola recently, Octavio Pato, who headed that delegation, took along Carlos Costa, another member of the Permanent Secretariat, as his subordinate. "A truly unprecedented attitude," our interlocutor commented.

11798

SWEDEN

Election Brings Changes in Political Landscape
36200008 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 28 Sep 88 p 12

[Text] Stockholm, late September. While en route to Italy, where he plans to relax for a few days and reflect on the composition of his new cabinet without uninvited advisors, Prime Minister Carlsson, fresh from winning the election, made a stopover in Copenhagen in order to give some encouragement to the Danish sister party. There, he proclaimed triumphantly before the delegates of the Social Democratic party congress that "neoliberalism" had now been overcome once and for all, that the "ideas of egotism" were once again facing a "head wind." The party colleagues in Denmark, who for 6 years have had to play the ungrateful role of the opposition and just this past May lost an election for the third consecutive time, were receptive to encouraging words, and they cheered the guest from Stockholm in gratitude.

But the question could be asked whether Carlsson has not drawn premature and overly far-reaching conclusions from his own, by no means convincing election victory. Has a "new political landscape" really been created in Sweden, as he claimed in Copenhagen?

What is certain is that Carlsson, with the new parliament, will have an easier time governing than in the past. Despite the loss of three seats, the Social Democrats, with 43.5 percent of the votes and 156 of a total of 349 seats in the parliament, maintained their strength. The Social Democratic minority government will remain. The fact that no majority can be established against them in crucial questions is guaranteed, if need be, by the 21 representatives of the Communist Party. In the day to day legislative work, the dependence of the Social Democrats on the Communists is small, however. The fragmentation of the opposition will presumably make it even easier than in the past for Carlsson and his government to seek the required parliamentary support when circumstances demand it. Even combined, the three nonsocialist parties, with 152 seats in parliament, compared to 171 in the past, are now weaker than the Social Democrats. And the Green Party, which with 20 representatives enters the parliament for the first time, will not assume the expected key role between the "blocks," since the two "socialist" parties, as in the past, together represent a majority. The power relationships are, therefore, stable and favorable for the governing party.

But Carlsson is probably not just thinking of this tactical advantage when he speaks of a change in the political landscape. There is more at stake, namely the possibility of long-term changes in the political power relationship. Other politicians expressed themselves similarly. Thus, for example, the chairman of the Communists, Lars Werner, was appealing as late as election eve for a "Green Block" in the parliament, which was to consist of his own party, the Greens, and the Center. Meanwhile, Bengt Westerberg, the leader of the Liberal People's Party, was reflecting on the election success of the "antigrowth parties," among which he also includes the Center; he appeared to doubt whether, in the future as well, the party would belong in a nonsocialist government. Several commentators are already speculating on a Red, a Green, and a Blue Block in Swedish politics.

The result of the election does in fact reveal three trends which are consistent with the theory of three blocks: those parties did better than in the last election which adopted a strong ecological-political platform and which gives the state a decisive role in the social redistribution of social wealth. Despite many—and in some cases serious—differences in the programs, there are areas that are common to the Greens, the Center, the Christian Democrats (who failed to clear the 4 percent hurdle, to be sure), and even the Communists, who combine a verbally radical program with pragmatic demands on behalf of wage-earners and who recently have hung a green branch on their red flags. The parties that fared especially poorly were the social-liberal Peoples's Party

and the conservative Moderate Coalition, those nonsocialist parties, in other words, which unequivocally support the concept of market economics and consider economic growth an essential prerequisite for responsible ecological and social policies. Meanwhile, support for the Social Democrats remained stable, all things considered, which can probably be attributed above all to the fact that their many organizations were able to mobilize their adherents to a high degree.

Since environmental protection was far and away the most important issue in the election campaign, caused also by the absence of other major issues, the success of the Greens and the other parties which portrayed themselves as particularly concerned with the ecology is not surprising. This common concern with green questions is not new, incidentally. Already in the referendum on the future of atomic energy in 1980, the Center, the Communists, the Christian Democrats and the "Popular Campaign Against Nuclear Power," from which the "Ecological Party—The Greens" later emerged, fought together for the so-called Line 3, which was to stop the atomic program and shut down existing reactors within 10 years (and received 38.6 percent of the votes). The nuclear power controversy has been politically defused by the resolution of the parliament to do away with nuclear power by the year 2010 at the latest. Because of the success in the election of the green groupings, however, the pressure on the Social Democratic government to shut down the first reactors in the near future will probably increase. The construction of a bridge across the Sund to Denmark, a subject of controversy within the Social Democratic Party, has also become less probable now. In the question relating to conformity with the European Community domestic market, where the green-shimmering parties are either unequivocally opposed or at best take a skeptical stand, Carlsson will most likely turn a deaf ear.

Before the election, the prime minister frequently proclaimed that the Social Democrats were on the way to becoming the great ecological party themselves. How these claims will fare remains to be seen. For there is no doubting that the government and the governing party are at the focal point of the most divergent social interests imaginable. In this situation, it is not always easy to find a common denominator for economy and ecology. The economic and fiscal policies, ably represented by Minister of Economy and Budget Feldt, this time too created the basis for the Social Democratic victory in the election. Balancing the deficit in the national budget, an unemployment rate of just under 2 percent, an increase in income in real terms following many years of stagnation, and a highly profitable industry producing at the limits of its capacity—those were some of the achievements to which one could point. The Social Democrats tilted this balance sheet still more in their favor with the claim that the nonsocialist parties, which had the misfortune of having to prove themselves during an international economic crisis between 1976 and 1982, were not capable of governing the land.

This reproach apparently worked, even though the performance of the three nonsocialist parties, which was the worst it has been for a long time, could have been caused by many other things. Analyses reveal that the conservatives and the liberals lost many votes because part of their adherents this time voted for the Greens or did not vote at all. In Sweden, the voters in the nonsocialist camp are particularly mobile and least loyal to their party. Caution is appropriate, therefore, if longer-term trends are to be deduced from the result of this election. It is incontrovertible, however, that—with the environmental party in the parliament—it will be even more difficult in the future for a challenger to confront the Social Democrats with a credible and electable governing alternative.

Much will depend on how the nonsocialist parties perform in the opposition role until the next election in

3 years. It is a fact that the dilemma of the nonsocialist (and the political system in Sweden) is that, first of all, the three parties are competing for similar voter groups, and on the other hand, stand a chance of succeeding the Social Democrats only jointly. In day to day parliamentary proceedings, the question comes up again and again whether one should support the Social Democrats in certain instances and in this way try to promote one's own program, or whether, like the opposition, one should endeavor to enhance one's own status and not become involved in compromises. The businesslike manner in which Carlsson is governing the country levels out the ideological differences and reinforces the Social Democratic claim to be the only governing party. A counterprescription, it would appear, is hard to find.

12689

PORTUGAL

Defense Ministry Denies Freezing Arms Sales to Iran

35420005c Lisbon DIARIO DE NOTICIAS
in Portuguese 24 Sep 88 p 4

[Text] The Ministry of Defense says "there is no basis" for the statement this week by a businessman in the national arms industry that the government has decided to place a freeze on arms sales to Iran or Iraq, according to an adviser to Eurico de Melo.

"There has been no government decision to freeze sales; that is simply false," the same source said, adding that "exports of Portuguese-made arms and ammunition are being handled in accordance with the usual rules and depend on authorization by the Ministry of Defense in consultation with the minister of foreign affairs."

A source linked to the sector says, however, that "the restrictions, which naturally are going to arise, are due to the market mechanism itself."

"With the war over, it is natural that orders will decline," he pointed out, emphasizing that "that circumstance is going to affect the firms and the middlemen, even as far as payments are concerned."

As DIARIO DE NOTICIAS reported some time ago, the end of the Iran-Iraq War may also result in mass layoffs by firms in that industry, namely the Oeiras Foundry and COMETNA [National Metallurgical Company].

11798

Military Doubtful About NATO Proposal for Mixed Brigade

35420005b Lisbon SEMANARIO in Portuguese
24 Sep 88 p 13

[Article by A.S.; first paragraph is SEMANARIO introduction]

[Text] Supreme Headquarters Allied Powers Europe has proposed the establishment of a second mixed brigade. But military officials are turning up their noses. "It makes no sense to invest many tens of millions of contos in a brigade for the collective defense of NATO."

The establishment of a second mixed brigade of the type already existing at Santa Margarida has been proposed to Portugal by Supreme Headquarters Allies Powers Europe. Although not specifying the precise tactical purpose of that new force, SHAPE is putting forward the possibility that it might also play a part in defending Europe's southern flank—a mission that just happens to be that of the mixed brigade already in existence.

According to our sources, NATO "is prepared to help equip and set up that brigade using funds appropriated for its infrastructures" and is emphasizing that the effort in question is in consequence of the accepted finding that "it is necessary to modernize the Portuguese Armed Forces."

But military sources contacted by us consider the whole thing little more than "castles in the air." They say that in recent years the Allies have been discussing a "sharing of risks" so that "collective defense will be distributed in accordance with each member's capabilities." And it is in that context that "NATO has proposed the entrusting of traditional air, ground, and naval resources" to our country.

For reasons of a financial nature, any decision on that subject will be given extremely careful thought, and the idea may even be rejected from the start. The same applies to the idea of establishing a second mixed brigade. "It makes no sense, given our situation, for us to invest many tens of millions of contos in a brigade for the collective defense of NATO," we were told. And, our sources continued: "That means it would be more advantageous for us to go along with another possibility suggested to us by our allies and commit the Light Paratroop Brigade to SACEUR (Supreme Allied Commander Europe)."

From that angle, "it is less expensive and involves fewer risks to assign a light brigade as a strategic reserve than to commit an additional mixed or mechanized brigade on a permanent basis. The reason is that the latter force is much larger, more expensive, and very difficult to transport."

Be that as it may, the same sources were careful to criticize the lack of a "national defense strategy" and talked about the "air and naval integration" of our territory—an obvious bid for an increase in resources for those two components.

As far as NATO's willingness to finance the new mixed brigade is concerned, our sources expressed some reservation, especially since the Allied organization "has never contributed anything to construction in Santa Margarida." They also asserted that "the equipment was either purchased with national funds or obtained through international counterpart deals in exchange for facilities granted by us." According to our interlocutor, NATO's participation in modernizing the Portuguese Armed Forces in recent years has been limited to "a small amount of aid for construction of the MEKO frigates." So, even in the case of the frigates, "the bulk of the expenditure will be met through national effort and a few counterpart deals with the FRG, but those deals are also in the interest of that country, which is using them to finance its own shipyards."

11798

Resistance to Spanish Military Pressures Reported

35420005a Lisbon O INDEPENDENTE in Portuguese
16 Sep 88 p 9

[Article by P.M.; first paragraph is O INDEPENDENTE introduction]

[Text] The hottest issue during the upcoming meeting between Cavaco Silva and Felipe Gonzalez will not appear on the agenda: It is the touchy question of Portuguese-Spanish relations in the area of defense.

Spanish Minister of Foreign Affairs Fernandez-Ordenez was in Lisbon this week to make preparations with his Portuguese counterpart, Joao de Deus Pinheiro, for the upcoming Portuguese-Spanish summit meeting. That meeting, which will be held in Portuguese territory this November, is bound to be dominated by defense issues, even though the authorities of the two countries do not seem particularly interested in letting it be known. The agenda for the talks contains nothing on that subject.

The Madrid government feels that Portugal is the main obstacle to the success of its proposals in connection with NATO. Lisbon is rejecting the idea that Portuguese troops should take orders from the Spanish and also does not agree with the idea that Madrid should define "areas of strategic interest" in the context of the Atlantic Alliance.

"Spain is not part of NATO's military structure and therefore has no right to impose anything," O INDEPENDENTE was told by a source at the Portuguese Ministry of Foreign Affairs.

The fact is, however, that Portugal's position finds little support among the other members of the Alliance. Even Great Britain, which traditionally supports Portugal in the latter's disagreements with Spain—especially in military matters—seems uninterested in supporting the positions of its "oldest ally" this time. As a matter of fact, Great Britain and Spain have been striving for closer relations, as is proven by the fact that Mrs Thatcher is going to visit Madrid during the last half of this month.

"Portugal's best ally on this issue is now the United States," says one diplomat who has a special interest in Portuguese-Spanish relations. "The United States is annoyed with Spain" following the American "defeat" in negotiations concerning the F-16's, and as a result, it has been supporting Portugal. "But if the defense agreement it is currently negotiating with Madrid is signed, the United States may drop its support of Portuguese claims."

Spain has stressed in particular the size and strength of its Armed Forces in comparison with the Portuguese Armed Forces, and that argument seems to be impressing all of the Atlantic Alliance's member states.

At Necessidades Palace in Lisbon, Minister of Foreign Affairs Joao de Deus Pinheiro has reportedly already warned the prime minister of the need for Portugal to adopt a more flexible position and to yield some ground in this connection, but Minister of Defense Eurico de Melo, under pressure from the heads of the armed services, has been expressing opposition to any compromise.

The fact is that according to predictions by well-informed sources in Madrid, "Spanish pressure is going to increase." At the last meeting by the Atlantic Council, which was held in the Spanish capital, Spain tried to push through its guidelines regarding Atlantic defenses. Madrid went so far as to announce that the Allies had supported its proposals, although it was later stated that the latter were only "intentions" contained in a letter addressed to the then secretary general of NATO, Lord Carrington.

The firmness of Portugal's position made it possible to prevent the success of that Spanish maneuver. But it is not certain that Portugal will be able to hold out much longer. Especially since it is considered certain this week that Spanish membership in the WEU—the European defense "organization"—will become effective this November. That will enable Spain to play its many trump cards in other areas as well.

11798

SPAIN

Government Nuclear-Weapons Posture Criticized
35480009 Madrid CAMBIO 16 in Spanish
No 878, 26 Sep 88 p 40

[Article by Antxon Sarasqueta: "The Breach Is Still Open"]

[Text] "Don't worry about threats from Finance because no one is going to look at the books." Can anyone imagine a minister saying such a thing to taxpayers? Or taxpayers believing such a promise? Impossible? And yet, that is what the Spanish Government is telling the American Administration: "We forbid the presence of nuclear weapons in our country, but we promise we will not investigate what kind of arms are being carried on your military ships and planes" (which are naturally nuclear).

Can any reader imagine Felipe Gonzalez trusting a promise such as the one Nicolas Redondo might make? "We must accept as normal the existence of such disagreements so as to spare ourselves the emergence of distrust between us." Naturally not, but that is precisely and literally what the head of the Spanish Government told the Atlantic Conference meeting in plenary session at the banquet held for Alliance ministers at El Pardo on 9 June.

The result is that the allied governments trust the Spanish Government as little as do the taxpayers and vice versa. "I have come to doubt whether," Secretary of Economy Pedro Perez told the WALL STREET JOURNAL, "people in the underground economy are truly happy. If they do not feel guilty, taking the most cynical view, at least they must fear that a treasury inspector may come to the door." (It is what we might call the "Avon syndrome.")

These same cynical terms must have been heard by Lord Carrington, secretary general of NATO, at the aforementioned banquet when Felipe Gonzalez praised him personally and "on behalf of the government," coinciding with the end of his term as head of the Alliance. "Your good offices in recent years have succeeded in overcoming the natural disagreements that might have undermined allied solidarity and cohesion at critical times," Gonzalez told Carrington.

A man of exquisite manners, Carrington must have been inwardly furious in the face of such gratitude. Gonzalez was referring to the famous 1986 referendum, the blackest time in Carrington's term, for he was obliged, for partisan reasons, to back Gonzalez in the first plebiscite challenging the continued membership of one of the members of the Organization. "The Alliance was aware that if it preferred the conditions approved in the referendum, it would not be able to rely on Spain for anything," Carrington revealed.

Adding insult to injury, Gonzalez included along with the personal praise in his speech at El Pardo a great elegy to the plurality of postures in NATO, confusing a military organization with Parliament. "We must harbor no illusions about the degree of unity we can hope to achieve in every circumstance," Gonzalez said, going on to argue for a "European pillar" confronting the United States. Two of Carrington's obsessions are precisely NATO unity and the WEU [Western European Union] working "with" the United States in NATO.

In response to the Spanish prime minister, the retiring secretary general then had to repeat his doctrine and that of the main allies, which runs contrary to the Spanish position, but he could not contain himself and halted his praise of Gonzalez before his colleagues. He then told an old but little known story, although it was a public event. Carrington narrated that a passerby, upon recognizing the Duke of Wellington, heaped praise upon him, but as

he was about to help him cross the street, the aristocrat waved aside the plebian hands and chided him: "Don't be a fool!" And the Lord went on intrepidly singing the praises of NATO.

This is all related to the current state of Spanish relations with its allies, which has halted the new bilateral defense agreement with the United States, Spanish integration into the WEU and negotiations on the type of our country's participation in NATO. And for two reasons: because the interests manifested are contrary and because an element of distrust has been introduced.

The referendum, which the allies had long backed as the only way Spain could continue in NATO, set as conditions a reduction in American troops in Spain and nonnuclearization. The first was complied with once Tactical Wing 401, with its F-16 fighter-bombers at Torrejon, was kicked out. A base which allies considered to be a key in protecting the southern flank of NATO will therefore be moved to Italy. With respect to the denuclearization of Spanish soil, how can one keep the promise and at the same time the nuclear commitment in NATO and the WEU?

In order to reconcile both postures, the Spanish Government is proposing to the American Administration that the text of the new agreement should include an express ban on "introducing" nuclear weapons, along with the promise not to ask what its military ships and planes are carrying. The American rejection of this inanity (which is a violation of respect for the allies and for Spanish citizens) resulted in a delay in signing and the paralysis of the entire process of Spanish definition in the Western security system.

British Prime Minister Margaret Thatcher had already said before coming to Spain that she had hoped for a more resolute commitment from that country in its defense contribution, and NATO, in its communique from Madrid, reminded the Spanish Government of its pledge "to define a significant Spanish military contribution to the common defense." In the meantime, Charles Goerens, president of the WEU Assembly, was in Madrid last week and insisted that Spain would have to "subscribe entirely and without reservations" to the Hague platform (October 1987), in which "the nuclear component is an essential point." Gonzalez had already accepted this on 3 March at the allied summit conference in Brussels.

Ignacio Sotelo's observation: "The narrow Machiavellianism which serves to win a regional party congress reveals another facet when used in foreign policy."

The breach of the NATO referendum remains open.

11464

FRANCE

Poll on Social Climate, 1992 Shows Measured Optimism

35190003 Paris L'USINE NOUVELLE in French
1 Sep 88 pp 4-9

[Article by Jean-Paul Le Guern: "No Panic Among Employers"]

[Text] The tax on wealth leaves 47.5 percent of employers indifferent. And 91.3 percent expect the return to work in September to be calm. These are two of the most surprising results of this survey. Philippe Seguin, Dominique Strauss-Kahn, Jean-Rene Fourtou, Jean Claude Millet, and Paul Barry comment on the results.

Employers are unconcerned as workers come back to work after their 1988 vacations. Their equanimity is not disturbed by either the solidarity tax on wealth (the former IGF)—which, according to a majority of 47.5 percent, is expected to have a negligible impact on business activity (43 percent say it will have a negative effect)—or workers' return to their jobs in September—91.3 percent predict it will be calm. These are the results of the survey conducted by RES (Economic and Social Research) exclusively for L'USINE NOUVELLE.

An enormous (and double) surprise! Business executives are reacting with relative indifference to the decision to reintroduce the tax on wealth (question 1). It is hard to believe that this is due only to the change in its name. Moreover, the horizon as far as workers are concerned appears completely clear (question 2). A hard blow to forecasters of all bents, and especially those of the UIMM [Union of Metal and Mining Industries], who have been sending out scores of more or less alarming reports. Let them be consoled: labor leaders, who pile threats on threats, are no longer taken seriously!

In this case, employers are persisting and subscribing. In fact, a previous survey (L'USINE NOUVELLE issue 52 of 24 December 1987) already indicated that they were approaching 1988 with resolute optimism. We can thus conclude that if this state of mind has survived the first 8 months of the year, it is because business leaders have digested the political change that has affected them.

So everything is fine? Too hasty a conclusion. For although optimism reigns as far as workers are concerned—to the point of euphoria in industry, where 98.7 percent of employers are predicting calm, and only 1.3 percent unrest—positions are not as clear-cut on the ISF. The relatively indifferent reaction to it—culminating in 53 percent of companies with over 500 employees—is in fact far from being generalized. A majority of industrialists are anything but pleased (49.9 percent, as compared with 45.8 percent indifferent). And heads of medium-sized businesses (200-499 employees) are frankly pessimistic: 57.6 percent, as compared to 38.9

percent. Although these are conceptual differences, they should lead just as much to a softening of one's position—especially since employers are not without their worries (question 3).

It is their competitiveness vis-a-vis other countries that concerns them the most: 93.9 percent are turning gray over this. For heads of medium-sized firms again, it borders on anguish: 97.2 percent are worried. In contrast, industrialists are a little cooler: 11 percent, as compared with an average of 6.1 percent, claim they are not upset. Still, they are not overjoyed....

What is to be done? The question was not included in the survey. But some of our witnesses took an interest in the patient. Unfortunately, their diagnoses varied. Paul Barry, president of the board of Leroy-Somer, is reserving his judgment. But in prescribing additional tests, he is all the same pointing his finger at the assumed roots of the malady. "Take a look at the tax system, social security, and financing systems in all the various countries," he says. Dominique Strauss-Kahn, president of the Finance Commission in the National Assembly, totally disagrees. "Our competitiveness is not being jeopardized by prices, but by factors such as quality and after-sales," he replies. A polite way of telling business leaders to sweep in front of their doors as well.

A second concern of leaders, less burning but just as real, is the cost of credit. Seventy-two percent are worried about it. The "crown" of pessimism once again comes back to the heads of medium-sized businesses (76.5 percent), while heads of large firms (over 500 employees) seem more relaxed: one out of three says so quite plainly.

As for inflation, it is clear: it is no longer causing employers to spend sleepless nights. Naturally it still is a concern of a majority of business leaders—51.8 percent. But the rest (48.2 percent) are not concerned about it. This finding diverges slightly from industry, where 57.3 percent of employers are worried about it.

As for workers' issues (question 4), employers are clearly not as concerned. Wages were expected to be at the top of the list: they are in fact by virtue of the gap between the 53.5 percent of employers claiming to be concerned and the 18.7 percent satisfied.

However, if you focus only on the figures in the "concerned" column, the qualifications of personnel turned out to be the prime concern (53.8 percent). "This is a fortunate development, since we are so far behind our competitors," Dominique Strauss-Kahn believes. This finding seems to confirm the heavy worries of heads of small and medium-sized businesses (64.4 and 61 percent). And industry is no better off, since two out of three leaders claimed to be concerned.

Are they at least reassured by their employees' motivation? Hardly. While on average a small majority of business leaders (44.3 percent, as compared to 40.1

percent) are satisfied, 50.8 percent of industrialists claim to feel uneasy on this point. Hence this warning from Jean-Rene Fourtou, CEO of Rhone-Poulenc: "The most serious mistake would be for French firms to underestimate the importance of the motivation of personnel. In view of the need to be competitive internationally, it is precisely the human factor that will make the difference."

All is well, however, in the area of employment. Only 29.8 percent of employers are concerned over the size of their staff. And this time the industrialists stand out for their optimism: only 20 percent in fact are concerned. This is probably a sign that the worst of the storm has past. Nobody will complain about this.

On the labor union front, finally, less than one out of ten business heads claims to be concerned. All is quiet, a wait-and-see policy (according to 76 percent of the replies). Jean- Claude Millet, creator and CEO of Imaje SA (250 employees), regrets this. "If there were more business leaders who could say they were satisfied with labor unions, they would also be more optimistic about the motivation of their personnel." Utopia? Provocation? Neither one nor the other. Simply a conviction rooted in his own experience.

We can see that employers are far from swimming in euphoria. But nothing in this picture points to shell-shock. Nor, even worse, a panic. Everything seems to be based on the most elementary lucidity expected of economic leaders. Serene, they remain alert. With precise expectations as regards political power. No surprises (question 5): they are for liberalism (82.8 percent). This does not stop them from hoping for a certain number of measures that they regard as effective—and that were promised to them.

At the head of the list (question 6) is tax exemption for reinvested profits. Ninety-two percent of employers consider it to be an effective measure. A real plebiscite, which is not overshadowed by the relative skepticism of heads of large firms. In any case, this measure is more popular by far than the other type of investment aid, direct subsidies: only 61.6 percent of employers label it as effective.

Continued professional training and the promotion of research also were greeted unanimously (87.6 percent for both). There were few divergent views of any importance in this vast consensus. At most heads of large firms were less enthusiastic about training (80.3 percent subscribed to it), but this issue is probably less critical in these firms

than research (91.7 percent). Industrialists had some reservations with regard to research. There were fewer of them voting for it (81.9 percent).

1. According to you, what impact will the ISF (solidarity tax on wealth, former IGF) have on business activity?

A negligible effect	47.5%
A negative effect	43%
A positive effect	7.1%
Don't know	2.4%

2. How do you view the workers' return to their jobs in September in your firm?

Relatively calm	91.3%
Relatively unsettled	8.7%

3. For each of the following elements of the economic situation in France, say whether you regard it as worrisome or not for the coming months.

	Worrisome	Not worrisome	Don't know
Competitiveness with other countries	93.9%	6.1%	—
Cost of credit	72.7%	26.8%	0.5%
Inflation	51.8%	48.2%	—

4. For each of the following elements relating to the employees in your firm, say whether you regard it as worrisome or satisfactory for the coming months.

	Worrisome	Satisfactory	Neither	Don't know
Wages and benefits	53.5%	18.7%	27.8%	—
Qualifications of personnel	53.8%	27.6%	18.6%	—
Motivation of personnel	40.1%	44.3%	15.6%	—
Staff size	29.8%	32.5%	37.7%	—
Labor Unions	9.1%	12.3%	76.0%	2.6%

5. In the current situation in France, what position do you expect the government to take vis-a-vis business?

Liberalism	82.8%
Occasional interventionism	13.7%
State control of economy	2.1%
Don't know	1.4%

6. For each of the following components of industrial policy, indicate whether you consider it effective or not.

	Effective	Ineffective	Don't know
Corporate tax exemption for reinvested profits	92%	7.6%	0.4%
Promotion of research	87.6%	11.5%	0.9%
Continued professional training	87.6%	11.4%	1%
Support for small and medium-sized firms	64.2%	34.3%	1.5%
Investment subsidies	61.6%	37.9%	0.5%
Sectoral policy	56.8%	36.1%	7.1%
Regulation of the OPA's	47.1%	46.2%	6.7%
Control of foreign acquisitions in France	31.9%	63.5%	4.6%

7. What is the most threatening competition for your company today?

Domestic competition	49.9%
European competition	29.1%
Competition from the rest of the world (America, Asia)	20.2%
Don't know	0.8%

8. Does a single European market represent more of an opportunity or more of a danger for your firm, or do you believe that it will not change anything?

More of an opportunity	53.1%
Will not change anything	35.2%
More of a danger	11.2%
Don't know	0.5%

9. In view of the prospect of a single European market, indicate whether each of the following measures seems important to you or not.

	Important	Not important	Don't know
Harmonization of VAT	95.8%	4.2%	—
Harmonization of standards	92.9%	7.1%	—
Elimination of customs formalities	91.4%	8.6%	—
Harmonization of social security	89.3%	10.7%	—
Harmonization of European currencies	86%	13.5%	0.5%
Harmonization of the corporate tax	83.3%	16.4%	0.3%
Harmonization of the work day	62.8%	37.2%	—
Harmonization of educational degrees	57.7%	42.2%	0.1%

Measures involving the most government intervention were of course the most controversial ones. Support for small and medium-sized businesses, for instance, won 64.2 percent of the votes. And the sectoral policy 56.8 percent (but 69.6 percent among heads of large firms). With regard to possible regulation of the OPA's, opinions were divided: 47.1 percent considered it effective, and

46.2 percent were of the contrary view. As for control of foreign acquisitions in France, the measure was clearly challenged: ineffective, according to 63.5 percent of employers, a judgment that most likely signifies outright rejection. French business leaders want to remain free to flirt, or join forces, with whomever they wish.

The L'USINE NOUVELLE-RES survey also covered Europe. This subject, which has become the favorite topic of so-called enlightened debates, has never, to our knowledge, been put to employers for their opinion. Their responses were surprising, as regards both the current situation and the future.

First, there is the reverse of what one would expect (question 7). French firms feel more strongly about European competition (29.1 percent) than about American or Asian competition (20.2 percent). But the main threat is domestic—and by far: 49.9 percent! Shocking! According to Jean-Claude Millet, "it is especially troubling because it confirms the chronic weakness of French firms in the area of exports." He should not worry! There are some employers who are more aware (or better armed?). In companies with over 500 employees, for example, domestic competition (31.3 percent) did have a slight edge over European competition (31.2 percent), but was second and a good distance behind American and Asian competition (35.4 percent). And industry totally upset the ratings. Number one was Europe (41.3 percent); number two was America and Asia (32.3 percent); and, domestic competition came in third (26.4 percent).

A single market in 1993? This was regarded as an opportunity by 53.1 percent of employers (question 8). The greatest enthusiasm was found in large firms (71.9 percent) and in the service sector (67.9 percent). But watch out! One out of nine business leaders (11.2 percent) saw a danger there. And more than one out of three (35.2 percent) felt that it would not change anything. This is a considerable number, which we prefer to interpret as signifying quiet strength, rather than a lack of lucidity.

One thing is sure: employers are counting heavily on the government to lead the way toward the fateful date. "Everything we can do to simplify and harmonize will improve our productivity vis-a-vis the Americans and the Japanese," Jean-Rene Fourtjou pointed out.

For the vast majority (95.8 percent), the VAT is the first thing that needs to be harmonized (question 9). This is followed by standards (92.9 percent), which are considered to be particularly important by heads of medium-sized businesses (100 percent). Elimination of customs formalities is also eagerly awaited (91.4 percent)—as is, and this is hardly surprising, the harmonization of welfare benefits (89.3 percent), which was given high priority by large firms (94.2 percent), industry (97 percent) and the B-TP (97.5 percent). Employers also feel that it is important not to forget currencies and the

corporate tax, but they have some reservations with regard to the length of the work day. As for the harmonization of educational degrees, this seems to be the least of their worries.

We have gone full circle. Neither the immediate future nor longer-term prospects are worrying French employers. Are they right? Are they in for a rude awakening? They will be the first to know.

This survey was conducted between 20 July and 6 August 1988 by RES (Economic and Social Research), using the quota method, on the basis of a representative sampling of 600 business heads.

09805

PORTUGAL

Joint Ventures With China Planned

35420004d Lisbon O INDEPENDENTE in Portuguese
16 Sep 88 p 36

[Text] A source at the Ministry of Foreign Affairs has told O INDEPENDENTE that Portuguese firms are going to operate in China through joint ventures that will be established with Chinese enterprises. That approach, reportedly devised by Joao de Deus Pinheiro, calls for the use of equipment that will be discarded by Portuguese firms after they modernize their equipment with the aid of funds from PEDIP.

A substantial portion of the contribution by Portuguese firms to the capital of the mixed-economy firms that will be established will reportedly consist of equipment and know-how. For their part, the Chinese will provide the facilities and manpower. The goods produced by those firms will be acquired by holding companies that will be set up in Macau chiefly for the purpose of placing the products in question on the international market.

11798

SPAIN

UGT Scores Government-UDP Pension Pact

35480010b Barcelona LA VANGUARDIA in Spanish
18 Sep 88 p 77

[Text]

Pensions To Rise Between 4 and 13 Percent

Madrid—The minister of labor and social security, Manuel Chaves, and the president of the Democratic Union of Pensioners (UDP), Nicolas Mallo, yesterday signed an accord under which tax-based pensions will be boosted by 6.5 percent overall in 1989. The accord was not signed by the CCOO [Workers Commissions] and UGT [General Union of Workers]

The accord assumes that the funds appropriated for pensions in the General State Budgets for 1989 will increase by 350 billion pesetas (12 percent) over this year's budget, which allocated 12.9 trillion. .

Of this figure 174 billion will be earmarked to boost tax-based pensions (the ones received by those who have paid into Social Security). Another 160 billion will go to pay new pensions, and an additional 16 billion will be appropriated to boost welfare or non-taxed-based pensions and the subsidy for the handicapped.

Types of Pensions

The various types of pensions will have different across-the-board increases, from 4 to 13.08 percent, depending on the amount that each pensioner receives. Some groups will also benefit by receiving an extra payment a year.

The smallest increases (4 percent) will go the pensioners who collect between 44,041 pesetas a month (the amount of the Interprofessional Minimum Wage, SMI) and 84,000 pesetas a month. Pensions over 84,000 a month that come under the 1985 Pension Reform Law will be boosted by 4 percent; if they do not come under this law, they will receive a monthly across-the-board boost of 3,000 pesetas.

The minimum surviving-spouse pensions whose beneficiaries are those over age 65 will be increased by 12.5 percent. The minimum pensions for those retirees who are the support of their spouse will be boosted by 9 percent. If the retiree is not supporting his or her spouse and receives the minimum pension, it will be upped by 6.5 percent.

The remaining pensions, between the minimum and the SMI, will increase 4.5 percent.

Welfare pensions, which go to those in need who have not paid into Social Security, will be boosted 13.08 percent. These pensions will rise to 19,450 pesetas a month, and the age of eligibility for entitlement to this benefit is decreased from 68 to 67. The subsidies guaranteeing a minimum income for the handicapped are also rising by 13.08 percent.

The accord signed by the administration and the UDP also calls for another special payment to three groups of pensioners: farm workers, the self-employed and domestics. Farm workers will thus get 14 payments in 1989. Self-employed workers and domestics who were receiving pensions before the 1985 Pension Reform Law will henceforth receive one special payment and will thus get 13 a year.

Under the accord the government pledges that the amount of the minimum pensions for retirement or disability with support of spouse will equal the net SMI in 3 years. Likewise, these same types of pensions, but without spousal support, will rise to 85 percent of the SMI in the same 3-year period. The government pledges that within 4 years the minimum surviving-spouse pensions will increase to the same amount as the minimum pensions without support of spouse.

UGT Thinks More Could Have Been Obtained

Madrid—The UGT has criticized the accord signed yesterday by the administration and the UDP, calling it an immoral, shameless move by the pensioners union.

The UGT secretary of union action, Apolinar Rodriguez, asserted that the accord signed yesterday represents a major step backward from the grievances that "the UGT wrested yesterday from the administration" at the bargaining table.

Administration Pleased

As far as the UGT secretary of union action is concerned, the accord that the UDP signed with the administration "is nothing more than a shameless attempt to acquire the political and union legitimacy that it lacks" and does serious harm to pensioners because it represents a "falloff from the heights that the UGT reached yesterday."

On behalf of the administration, Labor Minister Manuel Chaves described the accord as "the most important boost in recent years." Chaves also asserted that "this is an important step because it entails a boost that not only preserves the purchasing power of pensioners but even enhances it significantly."

Moreover, the minister of public administration, Joaquin Almunia, criticized the attitude of the unions at the bargaining tables and asserted that "both UGT and CCOO are afraid of signing accords. The opposition of the largest unions to concluding accords is something to think about, as it goes beyond the interests of the administration and harms the workers at large." The minister asserted that several bargaining tables have been set up, "and therefore no one can claim that the administration is unwilling to dialogue."

Increase in Pensions for 1989

Type	Percentage Increase
Welfare pensions	13.08
Subsidies for the handicapped	13.08
Minimum surviving-spouse pensions for those over 65	12.5
Minimum pensions with spouse to support	9
Minimum pensions without spouse to support	6.5
Remaining pensions up to 44,041 pesetas a month and obligatory old-age and disability pension	4.5
From 44,041 to 84,000 pesetas a month	4
More than 84,000 pesetas a month	4
Under Pension Reform Law	
3,000-peseta-per-month increase for those not under the Pension Reform Law	

Sources: EFE Agency, Europa Press, and Lid (LA VANGUARDIA)

8743

Poll Reveals Attitudes Toward Labor Unions

35480010a Madrid CAMBIO 16 in Spanish
3 Oct 88 pp 30-32

[Article by Luis Peiro: "Survey: The Workers Are for the Pacts"]

[Text] Spanish workers feel that their fundamental objective is to do away with unemployment and are, therefore, asking the unions to secure good pacts for them and the government to come up with special measures to provide jobs for young people and women. These are the conclusions of a recent survey conducted by the IDES Institute of Sociological Studies and Public Opinion among a broad sample of wage earners. The poll shows that confidence in the power of the unions is waning and that a space is opening up for a third, independent organization to establish itself.

Priorities of the Workers (in percent)

More jobs and lower unemployment	50
More money and economic improvements	38.5
Permanent contracts	30.1
Better working conditions	20.3
More involvement in the company	4.7

It does not seem that the time is right for the general or widespread mobilizations that Workers Commissions (CCOO) or the General Union of Workers (UGT) is thinking about. The situation is such that a perceptive veteran leader of a class labor federation could only conclude that the workers, a majority of whom voted for the PSOE, have turned to the right. A decade of economic crisis has consolidated a majority among wage earners who are in common cause, in favor of pacts and committed to having and keeping jobs, which they see as almost their first and greatest accomplishment.

According to the IDES study, the response of the workers to the economic boom that their companies are starting to experience is not to seek compensation for the years in which they had to tighten their belts. An overwhelming majority of 80 percent want this extra money to go into investments to create jobs, whereas a scant 4.8-percent call for its distribution among the workers who have produced it. In the same vein, they are prepared to keep on waiting for social services and improvements from the government, as long as these funds are allocated for special measures to employ jobless youths (so said 92 percent) and women (89 percent).

What To Do With Business Profits (in percent)

Distribute the profits among the employed workers	4.8
Invest the profits to create jobs for the unemployed	80.3
Both	12.3
Neither	1.1
Don't know/no answer	1.5

Since what the workers seek is to improve their personal financial situation, they shun major mobilizations and, above all, want a pact. According to the data gathered by IDES, the government, the employers association and the unions would do well to exhaust every last possibility before getting up from the bargaining table without achieving a social understanding one more year. Half of the workers believe in it, as against just 16.8 percent who are not in favor of this system, although perhaps the lack of overall accords in recent years has reduced the number of enthusiasts. In spite of this decline, the assessments of its effects remain positive.

Assessment of Social Pact (in percent)

Opinion	For the Workers	For the Economy	For Youths and the Unemployed
Has been beneficial	35.2	45.4	28.2
Has made no difference	20.0	14.3	14.9
Has been harmful	27.4	16.5	35.3
Depends on the case	4.4	3.9	4.6
Don't know/no answer	13.0	19.9	17.0

What Each Union Does Best (in percent)

Activity	UGT	CCOO	Independents and others	All	None	Don't know/no answer
Mass actions (assemblies, demonstrations, etc.) in defense of the workers	19.9	30.3	4.6	4.6	11.9	28.7
Representing workers at negotiations with government and employers association	30.2	19.9	3.9	4.4	12.2	29.3
Defending the interests of the workers in general	20.0	24.5	5.3	5.7	14.5	29.9
Providing services to affiliates (legal or tax advice, etc.)	17.0	18.1	3.8	5.6	9.8	45.6

To be on the safe side, most would like their delegates to attend the assemblies and consult "continually with the workers on the way to proceed at each moment."

This obsession with supervision says a great deal about the misgivings that Spanish workers still harbor about their unions. They unquestionably do not feel very satisfied with the unions that represent them. The main reason is that they do not believe much in their strength and influence in the country. Only 7 percent are prepared to argue that they have a great deal of strength, while up to 27 percent feel that they have quite a bit. In contrast to these two, the group that says that the labor federations have little or no influence comprises 40 percent of the respondents. And to continue the discouraging panorama, as many believe that they will improve in the future as feel the opposite.

It is no surprise, therefore, that 50 percent of the wage earners admit to not having voted in the union elections and that only 16.5 percent say they are union affiliates. A comparison with previous polls clearly shows a downward trend in affiliation. This widespread woe affects all of the traditional unions except the independent ones.

So strongly do the workers believe in the pact, even if just a pact in each company, that what they ask of the unions is that they be able to negotiate. Forty-two percent of the respondents feel that the first thing that a union must do is represent them well in negotiations with the government and employers organizations. In descending order after this concern come good collective bargaining agreements (22.6 percent) and improved working conditions (36.4 percent).

Stable Position

But the union federations will not be able to kick up much of a ruckus even with this moderate orientation. The reason is that there are as many workers who want the unions to be able to represent them at the bargaining tables as want their delegates to further the company's stability so that it does not founder and jeopardize their jobs (this is what 38.6 percent of the respondents are asking for). Thus, what motivates them the least among union activities are mobilizations. Nor does increasing their involvement in the company hold much appeal for them, much less changing the capitalist system.

The Rise of the Independents

According to the IDES data, they have boosted their membership by 35 percent.

Evolution of Union Membership

Union	Previous Membership	Current Membership	Trend in Membership (percent)
UGT	534,000	490,000	-8.2
CCOO	695,000	477,000	-31.4
USO	93,000	35,000	-62.4
CNT	71,000	16,000	-77.5
Independent, professional, etc. unions	216,000	292,000	+35.2

The surge by the independents shatters the traditional Spanish labor union model, which seemed to be locked up by the two best-known federations, CCOO and UGT, which also capture almost half of the workers' votes.

Only 15 percent of the workers now favor this model, compared to a striking majority of 47 percent who want more unions of influence.

Union System (in percent)

Better to have just one strong union	26.3
Better to have two strong unions	15.0
Several strong unions preferable	47.4
Depends on country	4.9
Don't know/no answer	6.4

It is no surprise, then, that prominent labor leaders are beginning to worry about the new rise of the independents, which this year have been the only ones that, for the time being, have signed accords with the government

on behalf of pensioners and civil servants. Although no one knows how these unions will profit from their latest pacts with the administration, the survey does reveal that up to 14 percent of the workers who say they are going to vote in the upcoming union elections are prepared to vote for delegates who run as independents.

The acceptance of the traditional unions has seemed to be on the decline or at the very least at a standstill for the past 2 years. UGT remains slightly ahead in voter preferences, although its image is slightly more unstable than the CCOO's. The most noteworthy thing is that in the factories it still enjoys an image that seems to be somewhat at variance with the situation in which it currently finds itself vis-a-vis the government and the employers association.

Evolution of Union Vote Intentions (in percent)

Union	Voted in 1982	Voted in 1986	Plan To Vote in 1988	Plan To Vote and Leaning Toward in 1988
UGT	13.4	13.8	16.6	23.9
CCOO	10.2	12.8	15.3	21.5
USO	0.5	0.5	0.4	0.6
CNT	0.1	0.4	0.7	1.3
Nationalists	0.8	0.7	0.6	0.8
Independents and others	3.4	6.7	6.0	8.1
Did not/will not vote	59.7	56.7	39.0	29.2
Don't know/no answer	12.0	8.3	21.2	14.3

The workers polled say that the only thing that makes the UGT better than its eternal rival, CCOO, is the way it negotiates with government and business. In every other respect (mass actions, defending the interests of the workers or providing services), the CCOO is out in front.

The comparison of the two unions ends with a substantial list of differences. The UGT is identified as a bargainer (34.7 percent), representative (30.9 percent), effective (23.2 percent), responsible (22.7 percent) and

modern (17.8 percent). In contrast, the CCOO is a mobilizing (44.9 percent), hard-line (36.2 percent), bold (33.1 percent) and out of step (10.9 percent) union.

The doubts voiced by the administration and the PSOE about whether their kindred union may be dangerously altering its strategy are now compounded by several questions as to whether the workers in general and the voters of the socialist union in particular may have adopted the new contorted and grievance-oriented look of Nicolas Redondo's union.

Electoral Leanings of Spanish Workers (in percent)

Party	Voted for in Last Election	Would Vote for Now	Political Support Among the Undecided	Current Vote Plus Support
PSOE	38.0	26.1	15.0	33.7
CDS	6.3	7.1	2.6	8.4
AP	5.7	4.1	1.9	5.0
PCEU	5.8	5.8	2.9	7.2
Regional parties	4.8	4.3	2.1	5.3
Others	2.1	1.8	1.3	2.5
None/Did not vote	14.6	13.3	28.3	14.4
Unsure/No answer	22.8	37.5	45.8	23.3

JPRS-WER-88-062
2 November 1988

24

ECONOMIC

Technical Data

Conducted by: IDES Institute of Sociological Studies
and Public Opinion

Universe: Wage-earning workers residing on the peninsula

Sample: 2,014 interviews conducted at home

Field Work: From 11 June to 15 July 1988

8743

FRANCE

Corruption Seen Slowly Invading Public Life

35190006b Paris LE POINT in French

12 Sep 88 pp 43-44

[Excerpts] Has France become a banana republic? Not yet, but.... Previously marginal practices are tending to become widespread. Sectors which had been spared are now being affected. Men who were considered to be untouchable are being enticed. From the top to the bottom of the ladder, in public as well as private life, people are not turning their backs on bribes.

How many Lancel bags does it take to carry 20 million francs? The answer is five. Yvon Cohen, head of the UFT independent labor union (French Labor Union), knows the subject well: the head of a distribution firm in which UFT has a majority offered this amount to him so that the agitative union would cease its activities. Yvon Cohen turned it down, and also turned down the two houses, the Mercedes, and the job that were offered to him in succession.

The mayor of a famous winter sports resort in the Alps was less scrupulous: he took advantage of a change in the zoning plans—which he knew about—to create a new resort on land previously bought by members of his family. A nice prospective profit!

Nor did a leftist party turn down the 7 million francs paid by a BTP firm to wangle development of a ZAC (a project totalling 1 billion francs) in the suburbs of the capital. The money was deposited in Geneva.

A business head, a mayor, and a party with degenerate morals? Or three isolated examples of delinquency? Neither one. These three know precisely what is going on: they are adapting to the mood of the times, which exudes the stench of corruption. Corruption is more

visible, more widespread, and more profitable than ever. Practices which were marginal a few years ago are tending to spread. Sectors which were spared a short time ago are now affected. Men who were believed to be untouchable have been enticed.

A high official, who has taken a keen interest in corruption (a sign of the times) for the purposes of an official study, has this to say: "We are in the process of becoming a banana republic, it is a cultural phenomenon. Formerly, we would occasionally finger an engineer at Ponts et Chaussees who had built too nice a house at the seashore. Today there are hardly any activities where a commission is not paid." The director of a large bank: "The feeling among businessmen is that corruption is getting worse in France." A corporate attorney: "My clients are complaining about having to 'pay up' more and more." A high official in the Ministry of the Interior: "What used to be a Middle Eastern practice has become commonplace. Business heads say frankly: no baksheesh, no deals."

The tragedy is that corruption is catching like a disease. The two basic sources of contamination are: financing of political parties and baksheesh for exports. These are the two pivotal points for hidden money. Take two examples. When a mayor or a government minister takes money in return for his approval, the people working with him are tempted. Moreover, bosses who pay use the same methods. Don't be surprised, you will be regarded as a square. Corruption is here to stay. Even if it is still marginal, it is found everywhere: among elected officials, civil servants, and salaried employees of the private sector.

This at least is what our survey shows, as there are very few statistics. Few corruption cases reach the courts, and they mainly involve only small-fries.

09805